

June 16, 2008

To the Township Board
Mancelona Township
Antrim County, Michigan

We have audited the financial statements of Mancelona Township, as of and for the year ended March 31, 2008, and have issued our report thereon dated June 9, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 7, 2008 our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management in our meeting about planning matters on May 1, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Mancelona Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended March 31, 2008. We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

The Valuation of Depreciation Expense and Accumulated Depreciation

Management's estimate of Depreciation expense and accumulated depreciation is based on the Township's anticipated lives of the various capital assets, in addition to the amount the assets are actually used. We evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 9, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Internal Control Matters

In planning and performing our audit, we considered the internal control over financial reporting of the Township as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected by the internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal

control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider each of the following significant deficiencies to be a material weakness.

Segregation of Duties

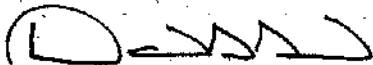
A properly designed system of internal control segregates the accounting responsibilities from employees who have access to physical assets such as cash, investments and payroll, from authorization and approval of transactions and account reconciliations. The small size of the administrative staff precludes a complete segregation of duties resulting in more than a remote risk that material misstatements could occur and not be detected in the normal course.

Reporting Financial Data

The above definition of a significant deficiency includes any condition that adversely affects the ability to report financial data in accordance with generally accepted accounting principles ("GAAP"). As a matter of convenience, the Organization has always relied upon its auditors to prepare financial statements and related notes and supplemental schedules for external reporting in accordance with GAAP. As a consequence, the Organization has not developed the tools and resources necessary to enable its employees to prepare reports in conformity with GAAP in the normal course of performing their assigned functions. The Organization has committed the resources necessary to meet its internal reporting needs. In this regard, it is not unlike many other organizations of its size.

This information is intended solely for the use of the Board of Trustees and management of Mancelona Township and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully yours,



Daniel S. Smith, CPA

TOWNSHIP OF MANCELONA
ANTRIM COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2008

TOWNSHIP OFFICIALS

SUPERVISOR

GERALD PATRICK

CLERK

MAURICE McGLEISH

TREASURER

CATHY SUE ROBINSON

TRUSTEES

DAN BEAN

MARGARET CHAPMAN

TOWNSHIP OF MANCELONA

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	I
Management's Discussion and Analysis	II – V
FINANCIAL STATEMENTS	
<u>Government-Wide Financial Statements</u>	
Statement of Net Assets	1
Statement of Activities	2
<u>Fund Financial Statements</u>	
<u>Government Funds</u>	
Balance Sheet	3
Reconciliation of the Balance Sheet to the Statement of Net Assets	4
Statement of Revenues, Expenditures and Changes in Fund Balance	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	6
<u>Fiduciary Funds</u>	
Statement of Fiduciary Net Assets	7
Statement of Changes in Fiduciary Net Assets	8
NOTES TO FINANCIAL STATEMENTS	9 - 19
REQUIRED SUPPLEMENTAL INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	20 – 23
Fire Fund	24
Road Fund	25
OTHER SUPPLEMENTAL INFORMATION	
Combining Balance Sheet – Non-Major Funds	26
Combining Statements of Revenues, Expenditures and Changes in Fund Balance – Non-Major Funds	27

DAN
SMITH

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

June 9, 2008

To the Township Board
Township of Mancelona

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Mancelona, Antrim County, Michigan as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Township's managements. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Mancelona, Antrim County, Michigan as of March 31, 2008, and the respective changes in financial position, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages II – V and budgetary comparison information on pages 20 – 25, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.



Daniel S. Smith, CPA

TOWNSHIP OF MANCELONA

202 W. State Street
Mancelona, MI 49659

TOWNSHIP OF MANCELONA MANAGEMENT'S DISCUSSION & ANALYSIS YEAR ENDED MARCH 31, 2008

This section of the Township of Mancelona's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended March 31, 2008. Please read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Township assets at March 31, 2008, as reported in the Statement of Net Assets, totaled approximately \$2,558,000 for governmental activities. Of the total Township assets, approximately \$1,591,000 represents capital assets net of depreciation.

Overall revenues were approximately \$1,016,600 (\$265,800 from program revenues and \$750,800 from general revenues). Overall expenses approximated \$948,000.

The Township did not incur any new debt during the year. Long-term debt and capital asset activity is addressed further in a subsequent section of this letter.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion & analysis, the basic financial statements, and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township.

The first two statements are government-wide financial statements and provide both long and short-term information about our overall financial status. These statements present the governmental activities of the Township. The Township does not engage in any business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The remaining statements are fund financial statements, which focus on individual parts of the Township in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the Township as a whole using accounting methods used by private companies. The Statement of Net Assets includes all of the entity's assets and liabilities. The Statement of Activities records all of the current year revenues and expenses regardless of when received or paid.

The two government-wide statements report net assets and how they have changed. Net assets are the difference between the Township's assets and liabilities; this is one method to measure the Township's financial health or position.

Over time, increases or decreases in an entity's net assets is an indicator of whether financial position is improving or deteriorating.

To assess overall health of an entity, you may also have to consider additional factors such as tax base changes, facility conditions, and personnel changes.

All of the activities of the Township are reported as governmental activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds, focusing on significant (major) funds, not the Township as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. The Township Board also may create them. Funds are established to account for funding and spending of specific financial resources and to show proper expenditure of those resources.

The Township has the following types of funds:

Governmental Funds: All of the Township's activities are included in the governmental fund category. These funds are presented on the modified

accrual basis, which is designed to show short-term financial information. You will note that the differences between the Township's government-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Assets: The Township's combined net assets increased approximately \$68,600 during the year ended March 31, 2008 totaling \$2,375,681. The increase is mainly due to conservative fiscal monitoring by the board over virtually all expenditures.

Government Funds: The fund balances for governmental funds decreased approximately (\$50,000). The decrease is due primarily to the purchase of new fire equipment (\$185,759) and road work (\$122,505).

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

General Fund: This fund is used to record all activities of the Township not required to be recorded in a separate fund. This would primarily include township administration, ambulance services, and the costs to operate the township hall. The major sources of revenue for the general fund are the Township tax base and the revenue sharing from the State of Michigan. The major expenses for this fiscal year included the general operating activities of the Township, ambulance services, and debt service of the new hall.

Fire Fund: The Fire Fund is used to account for all activities related to fire protection services. Revenues are derived primarily from property taxes and contractual services to Custer Township, and totaled \$340,334. Fire expenditures totaled \$336,577, of which \$110,348 was spent on capital assets. Other major expenditures include wages, repairs and maintenance and insurance.

Road Fund: The Road Fund is used to account for all activities related to road repair and construction. Revenues are derived primarily from property taxes and special assessments, totaling \$110,101. Expenditures, totaling \$122,505, were paid to repair and pave Township roads.

The Township has the following non-major funds:

Cemetery, Library, and Liquor Law Enforcement. These funds are primarily supported by program revenues, with some assistance from the general fund.

Revenues totaled \$67,801 and expenditures totaled \$104,717, with \$42,947 coming from the general fund.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets: Additions to the Township's capital assets include the following: voting and library equipment (\$13,439), a parcel of land (\$5,909), township hall improvements (\$7,823), fire equipment (\$11,377) and new Kenworth Fire-Truck (\$174,382).

Long-Term Debt: The Township continues to pay on a land contract for the new township hall. The contract balance at March 31, 2008 was \$170,373.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

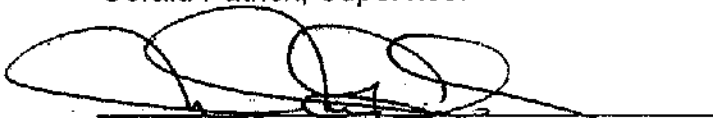
The Township will continue to monitor it's list of future road projects, and look to pay off the new building as soon as possible.

CONTACTING TOWNSHIP MANAGEMENT

This financial report is designed to provide our taxpayers, creditors, investors and customers with a general overview of the Township's finances and to demonstrate the Township's accountability for the revenues it receives. If you have any questions concerning this report please contact Maurice McGleish, Township Clerk or Sue Robinson, Township Treasurer at 9610 M-88 Hwy., Mancelona, MI 49659.



Gerald Patrick, Supervisor



Maurice McGleish, Township Clerk



Sue Robinson, Township Treasurer

**TOWNSHIP OF MANCELONA
STATEMENTS OF NET ASSETS
MARCH 31, 2008**

ASSETS

Current Assets:

Cash	\$ 685,718
Investments	193,000
Due from Fiduciary Fund	5,026
Delinquent Taxes Receivable	82,954
	<hr/>
Total Current Assets	966,698
	<hr/>

Capital Assets:

Capital Assets	2,663,543
Less, Accumulated Depreciation	(1,072,217)
	<hr/>
Total Capital Assets	1,591,326
	<hr/>

Total Assets	2,558,024
	<hr/> <hr/>

LIABILITIES

Current Liabilities:

Accounts Payable	578
Due to Other Governments	11,392
Current Portion - Land Contract	9,983
	<hr/>
Total Current Liabilities	21,953
	<hr/>

Noncurrent Liabilities:

Land Contract	160,390
	<hr/>
Total Liabilities	182,343
	<hr/> <hr/>

NET ASSETS

Investment in Capital Assets, Net of Debt	1,420,953
Net Assets, Unrestricted	527,410
Net Assets, Restricted	427,318
	<hr/>
Total Net Assets	\$ 2,375,681
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See accompanying notes to the financial statements

**TOWNSHIP OF MANCERONA
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008**

		<u>P R O G R A M R E V E N U E S</u>			<u>NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS</u>
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRI- BUTIONS</u>	<u>CAPITAL GRANTS AND CONTRI- BUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>
EXPENSES					
\$	(211,084)	\$ 53,096	\$ -	\$ -	(157,988)
	(37,415)	-	-	-	(37,415)
	(96,411)	11,973	-	-	(84,438)
	(65,703)	-	-	-	(65,703)
	(317,590)	130,775	-	-	(186,815)
	(122,505)	-	6,866	-	(115,639)
	(62,971)	2,169	29,609	10,229	(20,964)
	(30,621)	19,460	-	-	(11,161)
	(3,654)	-	1,588	-	(2,066)
	(947,954)	217,473	38,063	10,229	(682,189)
GENERAL REVENUES					
Property Taxes					504,348
State Shared Revenue					185,211
Swamp Tax					11,820
Interest on Investments					25,262
Royalties					16,263
Other					7,942
Total General Revenues					750,846
Change in Net Assets					68,657
Net Assets - Beginning of Year					2,307,024
Net Assets - End of Year					\$ 2,375,681

GOVERNMENTAL ACTIVITIES:

Township Administration
Assessing
Buildings and Grounds
Ambulance Services
Fire Protection
Road Construction
Library
Cemetery
Liquor Law

See accompanying notes to the financial statements

TOWNSHIP OF MANCERONA
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2008

	<u>MAJOR GOVERNMENTAL FUNDS</u>			<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	
	<u>GENERAL</u>	<u>FIRE</u>	<u>ROADS</u>		<u>TOTAL</u>
ASSETS					
Cash	\$ 313,372	\$ 234,134	\$ 89,127	\$ 49,085	\$ 685,718
Certificates of Deposit	170,490	-	-	22,510	193,000
Receivables:					
Delinquent Taxes and Fees	31,154	36,326	15,474	-	82,954
Due From Other Funds	5,026	-	-	-	5,026
Total Assets	520,042	270,460	104,601	71,595	966,698
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	578	-	-	-	578
Due to Other Governments	11,392	-	-	-	11,392
Total Liabilities	11,970	-	-	-	11,970
Fund Equity:					
Fund Balance:					
Reserved/Restricted	-	270,460	104,601	52,257	427,318
Undesignated, Unreserved	508,072	-	-	19,338	527,410
Total Fund Equity	508,072	270,460	104,601	71,595	954,728
Total Liabilities and Fund Equity	\$ 520,042	\$ 270,460	\$ 104,601	\$ 71,595	\$ 966,698

See accompanying notes to the financial statements.

**TOWNSHIP OF MANCERONA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2008**

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES PER BALANCE SHEET - PAGE 3	\$ 954,728
Amounts reported for governmental activities in the Statement of Net Assets (Page 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore not used in the funds.	1,591,326
Long-term debt are not due and payable in the current period and therefore not reported in the funds	(170,373)
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES PER STATEMENT OF NET ASSETS - PAGE 1	\$ 2,375,681

See accompanying notes to the financial statements

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2008

	<u>M A J O R F U N D S</u>			<u>NON MAJOR FUNDS</u>	<u>TOTAL</u>
	<u>GENERAL</u>	<u>FIRE</u>	<u>ROADS</u>		
REVENUES					
Local Sources:					
Tax Reverted	\$ 168,787	\$ 232,326	\$ 103,235	\$ -	\$ 504,348
Charges for Services:					
Custer Township	-	123,834	-	-	123,834
Property Tax Administration	32,407	-	-	-	32,407
Summer Tax Reimbursement	20,689	-	-	-	20,689
Other:					
Interest/Royalties/Rents	43,568	3,194	-	4,746	51,508
Cemetery Fees	-	-	-	19,460	19,460
Library Sources	-	-	-	39,063	39,063
Miscellaneous	8,737	8,136	-	-	16,873
State Sources:					
State Shared/Grant	185,211	-	6,866	4,532	196,609
Swamp Tax	11,820	-	-	-	11,820
Total Revenues	<u>471,219</u>	<u>367,490</u>	<u>110,101</u>	<u>67,801</u>	<u>1,016,611</u>
EXPENDITURES					
General Government	350,758	-	-	-	350,758
Public Safety:					
Ambulance Services	65,703	-	-	-	65,703
Fire Protection	-	422,961	-	-	422,961
Liquor Law Enforcement	-	-	-	3,654	3,654
Road Construction	-	-	122,505	-	122,505
Cemetery	-	-	-	29,655	29,655
Library	-	-	-	71,408	71,408
Total Expenditures	<u>416,461</u>	<u>422,961</u>	<u>122,505</u>	<u>104,717</u>	<u>1,066,644</u>
Excess (Deficiency) of Revenues over Expenditures	<u>54,758</u>	<u>(55,471)</u>	<u>(12,404)</u>	<u>(36,916)</u>	<u>(50,033)</u>
OTHER SOURCES (USES)					
Debt Proceeds	-	-	-	-	-
Transfers In (Out)	(42,947)	-	-	42,947	-
Total Other Sources (Uses)	<u>(42,947)</u>	<u>-</u>	<u>-</u>	<u>42,947</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>11,811</u>	<u>(55,471)</u>	<u>(12,404)</u>	<u>6,031</u>	<u>(50,033)</u>
Fund Balance - Beginning of Year	<u>496,261</u>	<u>325,931</u>	<u>117,005</u>	<u>65,564</u>	<u>1,004,761</u>
Fund Balance - End of Year	<u>\$ 508,072</u>	<u>\$ 270,460</u>	<u>\$ 104,601</u>	<u>\$ 71,595</u>	<u>\$ 954,728</u>

See accompanying notes to the financial statements

**TOWNSHIP OF MANCELONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008**

NET CHANGE IN FUND BALANCES-	
TOTAL GOVERNMENTAL FUNDS - PAGE 5	\$ (50,033)
Amounts reported for governmental activities in the statement of activities (page 3) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives.	212,930
Depreciation expense, recorded in the statement of activities but not in the governmental fund financial statements.	(108,062)
Governmental funds do not report long-term debt; therefore, debt service payments are recorded as an expenditure. However, in the government-wide financial statements, long-term debt is recorded and debt service principal payments are applied against the outstanding balance.	13,822
CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES PER THE STATEMENT OF ACTIVITIES - PAGE 2	<hr/> \$ 68,657 <hr/>

See accompanying notes to the financial statements

**TOWNSHIP OF MANCERONA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
MARCH 31, 2008**

ASSETS	
Cash	\$ 5,026
	<u>5,026</u>
LIABILITIES	
Due to Other Funds	5,026
Due to Other Governments	-
Total Liabilities	<u>5,026</u>
NET ASSETS	
Net Assets	\$ -
	<u>-</u>

See accompanying notes to the financial statements

**TOWNSHIP OF MANCERONA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED MARCH 31, 2008**

RECEIPTS:

Property Taxes and Interest	\$ 3,169,161
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DISBURSEMENTS:

Property Tax and Interest Disbursements	3,169,161
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Changes in Fiduciary Net Assets	-
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Fiduciary Net Assets - Beginning of Year	-
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Fiduciary Net Assets - End of Year	\$ -
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See accompanying notes to the financial statements

**TOWNSHIP OF MANCELONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008**

NOTE A: ENTITY

The Township of Mancelona is a General Law Township of the State of Michigan located in Antrim County, Michigan. It operates under an elected board and provides service to its residents in many areas including law enforcement, community enrichment, and human services. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included. Based on these guidelines, there are no other entities which should be considered for inclusion in this report.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of the Township of Mancelona are discussed in subsequent sections of this Note. The remainder of the notes are organized to provide explanations including required disclosures of the Township's financial activities.

The accounting policies of the Township of Mancelona conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2003, the Township of Mancelona adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

Under the provisions of GASB Statements No. 34 and 38, the focus of the Township's financial statements has shifted from a fund focus to a government-wide focus.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These statements report financial information for

**TOWNSHIP OF MANCERONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION
(CONTINUED)**

the Township as a whole, excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Township general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. At this time, the Township has no business-type activities.

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with functional programs. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Township's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not included as program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported in separate columns with composite columns for non-major funds. The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The Township reports the following major governmental funds:

General Fund - This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND TYPES AND MAJOR FUNDS (CONTINUED)

general operating expenditures of the local unit. Revenues are derived primarily from property taxes, State revenue sharing, and other inter-governmental revenues.

Fire Fund – This fund is used to account for all financial transactions related to the Township's fire protection services. Revenues are derived primarily from property taxes and services to Custer Township.

Road Fund – This fund is used to account for all financial transactions related to the Township's road repair/construction. Revenues are derived primarily from property taxes.

The Township reports, in total, the following non-major funds: Cemetery, Library, and Liquor Law Enforcement.

Other Funds

Fiduciary Funds – These funds are used to account for assets held in trust or as an agent for others. Tax collection activities are recorded in this category. Fiduciary activities are not reported in the governmental-wide financial statements, in accordance with GASB Statement No. 34.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Township does not apply FASB pronouncements or APB opinions issued after November 31, 1989.

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Township departments. Fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available.

Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Township considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Property tax revenues are recognized as follows:

Properties are assessed as of December 31 and the related property taxes are levied on December 1 of the following year. These taxes are due on February 29; uncollected amounts are subsequently added to the county delinquent tax

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (CONTINUED)

rolls. A county revolving fund normally pays the balance of the Township's tax levy by May 31 of each year. In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records the property tax revenue when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 31, 2007, are recorded as revenue in the current year. The Township's taxable value for the 2007 tax year totaled \$106,611,092.

The tax rates for the year ended March 31, 2008, were as follows:

PURPOSE	RATE/ASSESSED VALUATION
General	0.9830 mills per \$1000
Fire	2.0000 mills special assessment
	0.4915 mills per \$1000 (voted)
Roads	1.0000 mills per \$1000 (voted)
Ambulance	0.0642 mills per \$1000 (voted)

BUDGET

Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional and activity basis. The approved budgets of the Township for these budgetary funds were adopted at the fund level. Budgets as adopted end on March 31, of each year. There are no carryover budget items. During the year ended March 31, 2008, no over-expenditures were noted.

CAPITAL ASSETS AND DEPRECIATION

The Township's property, plant, and equipment, with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The Township generally capitalizes assets with historical cost of \$1,000 or more as purchase and construction outlays occur.

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS (CONTINUED)

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	25-50
Improvements, other than buildings	10-20
Machinery and equipment	5-10
Vehicles	5-10
Infrastructure	20-40

Land, construction in progress, and library books and periodicals are not depreciated.

With respect to asset improvements, costs over \$1,000 should be capitalized if:

1. The estimated life of an asset is extended by more than 25%, or
2. The cost results in an increase in the capacity of the asset, or
3. The efficiency of the asset is increased by more than 10%, or
4. Significantly changes the character of the asset, or
5. In the case of streets and roads, if the work done impacts the "base" structure.
6. Other wise, the cost should be expensed as repair and maintenance.

For information describing capital assets, see Note E.

**LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND
DISCOUNTS/PREMIUMS**

In government-wide financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bonds discount or premiums, and the difference

**TOWNSHIP OF MANCELONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effect of interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles as applicable to governments and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

NOTE C: CASH AND INVESTMENTS

Cash consists of bank accounts or securities with original maturities of 90 days or less.

All **cash deposits** are maintained in financial institutions in Northern Michigan. The Township's deposits are categorized to give the indication of the level of risk assumed by the Township at fiscal year-end. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the Township or by its agent in the Township's name.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.

Category 3 – Uninsured and Uncollateralized.

	BANK BALANCE	1	CATEGORY 2	3	CARRYING AMOUNT
Major Funds	\$ 675,426	\$ 36,476	\$ 638,950	\$ -	\$ 636,633
Non-Major Funds	49,085	-	49,085	-	49,085
Total	<u>\$ 724,511</u>	<u>\$ 36,476</u>	<u>\$ 688,035</u>	<u>\$ -</u>	<u>\$ 685,718</u>
Trust & Agency	<u>\$ 34,958</u>	<u>\$ -</u>	<u>\$ 34,958</u>	<u>\$ -</u>	<u>\$ 5,026</u>

**TOWNSHIP OF MANCIELONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008**

NOTE C: CASH AND INVESTMENTS (CONTINUED)

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's **investments** are as follows:

- (1) Insured or securities held by the Township or the Township's agent in the Township's name.
- (2) Uninsured with securities held by the counter party's trust department or its agent in the Township's name.
- (3) Uninsured with securities held by the counter party's trust department or agent but not in the Township's name.

	1	CATEGORY 2	3	CARRYING AMOUNT
Major Funds	\$ 170,490	\$ -	\$ -	\$ 170,490
Non Major Funds	22,510	-	-	22,510
	<u>\$ 193,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,000</u>

NOTE D: DUE FROM/TO OTHER FUNDS

Due From/To Other Funds represents \$5,026 collected in the current tax collection fund that had not been distributed at March 31, 2008, to various funds as follows:

General Fund	\$ <u>5,026</u>
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TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

NOTE E: CAPITAL ASSETS

	<u>CAPITAL ASSETS NOT DEPRECIATED</u>		<u>CAPITAL ASSETS DEPRECIATED</u>			
	<u>Land & Improv.</u>	<u>Library Books & Periodicals</u>	<u>Cemetery & Buildings</u>	<u>Data Handling Equipment</u>	<u>Vehicles & Equipment</u>	<u>Totals</u>
<i>Governmental Activities</i>						
<i>Capital Assets</i>						
Balance, April 1, 2007	\$ 68,004	\$ 50,000	\$ 979,218	\$ 20,000	\$1,333,391	\$2,450,613
Increases	5,909	-	7,823	13,439	185,759	212,930
Decreases	-	-	-	-	-	-
Balance, March 31, 2008	<u>73,913</u>	<u>50,000</u>	<u>987,041</u>	<u>33,439</u>	<u>1,519,150</u>	<u>2,663,543</u>
<i>Accumulated Depreciation</i>						
Balance, April 1, 2007	-	-	276,313	17,142	670,700	964,155
Increases	-	-	22,619	5,382	80,061	108,062
Decreases	-	-	-	-	-	-
Balance, March 31, 2008	<u>-</u>	<u>-</u>	<u>298,932</u>	<u>22,524</u>	<u>750,761</u>	<u>1,072,217</u>
<i>Capital Assets, Net</i>	<u>\$ 73,913</u>	<u>\$ 50,000</u>	<u>\$ 688,109</u>	<u>\$ 10,915</u>	<u>\$ 768,389</u>	<u>\$1,591,326</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental Activities

Cemetery	\$ 966
Township Administration	3,272
Buildings and Grounds	21,326
Fire	80,388
Library	<u>2,110</u>
Total	<u>\$ 108,062</u>

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008**

NOTE F: LONG-TERM DEBT

As of March 31, 2008, the Township had a land contract for the purchase of the new township hall. The balance on the contract as of March 31, 2008 was \$170,373. The original amount was \$191,000. The interest rate is 4.5%, with a monthly payment of \$1,461. The future debt service requirements are as follows:

Year Ending March 31	Principal	Interest	Balance
2009	\$ 9,983	\$ 7,549	\$ 160,390
2010	10,442	7,090	149,948
2011	10,921	6,611	139,027
2012	11,422	6,110	127,605
2013	11,948	5,584	115,657
2014-22	115,657	23,293	-0-
	<u>\$170,373</u>	<u>\$ 56,237</u>	

NOTE G: RESERVED FUND BALANCE/RESTRICTED NET ASSETS

The Township has reserved fund balance/restricted net assets in the amount of \$427,318. By fund, the amounts are as follows: Cemetery Fund perpetual care (\$52,257), the Fire Fund (\$270,460), and the Road Fund (\$104,601).

NOTE H: RETIREMENT PLAN

The Township has a defined contribution pension plan for its employees. Listed below is a summary of the significant plan provisions adopted by Board resolution in February 1969, and as amended in April, 1996.

A. Eligibility Requirements

1. Attained age of 18 and not more than 75.
2. No minimum, service requirement.
3. All employees except volunteer fire fighters and seasonal employees.

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008**

NOTE H: RETIREMENT PLAN (CONTINUED)

B. Contributions

Scheduled contributions are based on participant's compensation: 75% funded by the Township, 25% by the employee. A total of seven percent (7%) of employee compensation is contributed.

C. Vesting

Contributions are vested to the employee immediately upon entering the plan.

D. Plan Administration

The plan is administered by the Township Clerk.

During the year of audit, the total employer contributions for the year, were \$9,074. Covered payroll for the year was \$129,624. The plan was funded at the required contribution amount. No pension provision changes occurred during the year that affected the required contributions to be made by the Township or its employees.

NOTE I: CONTINGENCIES

INSURANCE

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omission; injuries to employees; and natural disasters.

The Township participates in the Michigan Township Participating plan, a self insured group. The pool is considered a public entity risk pool. The Township pays annual premiums to the pool for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the pool's policy year may be subject to special assessment to make up the deficiency. The pool maintains reinsurance for claims for each occurrence with the overall maximum coverage varying depending on the specific type of coverage of insurance. The Township has not been informed of any special assessment being required. There were no significant changes in coverage.

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Property Taxes	\$ 142,550	\$ 142,550	\$ 168,787	\$ 26,237
State Grants:				
State Shared Revenue	189,951	189,951	185,211	(4,740)
Swamp Tax	11,800	11,800	11,820	20
Charges for Services:				
Property Tax Administration	32,000	32,000	32,407	407
Summer Tax Reimbursement	20,493	20,493	20,689	196
Royalties	9,000	9,000	13,080	4,080
Rents	7,600	7,600	11,973	4,373
Interest	10,050	10,050	20,505	10,455
Miscellaneous	10,300	10,300	6,747	(3,553)
Total Revenues	433,744	433,744	471,219	37,475
EXPENDITURES				
GENERAL GOVERNMENT				
Township Board:				
Salaries - Trustees	3,184	3,184	3,184	-
FICA	249	249	244	5
Insurance	20,900	20,900	17,793	3,107
Spring Clean Up	7,000	7,000	6,859	141
Legal	7,500	7,500	5,938	1,562
Audit	6,000	6,000	5,315	685
Dues and Subscriptions	2,000	2,000	1,916	84
Printing	1,800	1,800	1,184	616
Street Lights	6,100	6,100	6,079	21
Copier Lease	2,200	2,200	2,120	80
Capital Outlay	7,200	7,200	7,128	72
Miscellaneous	2,100	2,100	2,738	(638)
Total Township Board	66,233	66,233	60,498	5,735
Supervisor:				
Salary	5,983	5,983	5,983	-
Fringes	458	458	458	-
Total Supervisor	\$ 6,441	\$ 6,441	\$ 6,441	\$ -

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
Election:				
Salaries	\$ 3,750	\$ 4,000	\$ 3,931	\$ 69
Travel	600	600	494	106
Education	100	100	18	82
Supplies/Misc.	3,800	3,800	3,622	178
Total Election	8,250	8,500	8,065	435
Treasurer:				
Salary	24,109	24,109	24,109	-
Salaries - Deputy and Clerical	11,847	11,847	11,847	-
Fringes	2,751	2,751	2,758	(7)
Miscellaneous	200	200	10	190
Total Treasurer	38,907	38,907	38,724	183
Assessor:				
Contractual	37,200	37,200	37,200	-
Other Services	450	450	215	235
Total Assessor	37,650	37,650	37,415	235
Board of Review:				
Salaries	900	900	570	330
FICA	70	70	44	26
Education	200	200	-	200
Travel	250	250	163	87
Miscellaneous	200	200	27	173
Total Board of Review	1,620	1,620	804	816
Clerk:				
Salary	16,859	16,859	16,859	-
Clerical Wages	1,118	1,718	1,629	89
Fringes	1,375	1,375	1,331	44
Total Clerk	\$ 19,352	\$ 19,952	\$ 19,819	\$ 133

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
Buildings and Grounds:				
Wages	\$ 28,664	\$ 28,664	\$ 28,608	\$ 56
FICA	2,193	2,193	2,274	(81)
Building Maintenance/Supplies	14,700	14,700	9,702	4,998
Utilities	19,261	19,261	13,723	5,538
Refuse	905	905	880	25
Fuel	3,300	3,300	3,303	(3)
Capital Outlay	2,000	2,000	300	1,700
New Building Fund	22,000	22,000	21,175	825
Debt Service	26,934	26,934	21,917	5,017
Miscellaneous	1,000	1,000	757	243
Total Buildings and Grounds	120,957	120,957	102,639	18,318
General Administration Costs:				
Computer Services	19,800	19,800	16,520	3,280
Postage	9,000	9,000	8,250	750
Health Insurance	40,000	40,000	39,970	30
Pension	8,800	8,800	8,440	360
Life, Dental, Optical Insurance	870	870	859	11
Total Gen. Administration Costs	78,470	78,470	74,039	4,431
Airport:				
Airport Insurance	2,200	2,200	2,108	92
Repairs/Utilities	550	550	181	369
Dues & Subscriptions	50	50	25	25
Total Airport	2,800	2,800	2,314	486
TOTAL GENERAL GOVERNMENT	\$ 380,680	\$ 381,530	\$ 350,758	\$ 30,772

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	<u>ORIGINAL BUDGET</u>	<u>FINAL AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL AMENDED BUDGET</u>
PUBLIC SAFETY				
Ambulance Services	\$ 46,500	\$ 46,500	\$ 65,703	\$ (19,203)
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	-	(42,947)	(42,947)	-
TOTAL OTHER SOURCES (USES)	-	(42,947)	(42,947)	-
TOTAL EXPENDITURES AND TRANSFERS	<u>427,180</u>	<u>470,977</u>	<u>459,408</u>	<u>11,569</u>
Excess (Deficiency) of Revenues over Expenditures and Other Uses	6,564	(37,233)	11,811	49,044
Fund Balance - Beginning of Year	<u>496,261</u>	<u>496,261</u>	<u>496,261</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 502,825</u></u>	<u><u>\$ 459,028</u></u>	<u><u>\$ 508,072</u></u>	<u><u>\$ 49,044</u></u>

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FIRE FUND
YEAR ENDED MARCH 31, 2008

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Property Taxes	\$ 218,500	\$ 218,500	\$ 232,326	\$ 13,826
Fee from Custer Township	110,187	110,187	123,834	13,647
Interest	3,000	3,000	3,194	194
Service Fees/Insurance	-	-	6,941	6,941
Miscellaneous	400	400	1,195	795
Total Revenues	332,087	332,087	367,490	35,403
EXPENDITURES				
Wages	80,600	80,600	79,536	1,064
FICA	6,946	6,946	6,085	861
Repairs and Maintenance	30,580	30,580	27,549	3,031
Insurance	27,773	27,773	26,767	1,006
Supplies	20,700	20,700	20,074	626
Utilities	18,026	18,026	15,114	2,912
Education Outside	10,500	10,500	10,418	82
Gas and Oil	10,220	10,220	9,885	335
Physicals	4,000	4,000	2,194	1,806
Community Service	3,100	3,100	3,013	87
Travel & Lodging	2,900	2,900	1,511	1,389
Snow Removal	1,150	1,150	1,950	(800)
Professional Fees	1,200	1,200	1,000	200
Dues and Subs	500	500	465	35
Printing/Film Developing	1,200	1,200	863	337
Capital Outlay	308,450	308,450	216,537	91,913
Total Expenditures	527,845	527,845	422,961	104,884
Excess (Deficiency) of Revenues Over Expenditures	(195,758)	(195,758)	(55,471)	140,287
Fund Balance - Beginning of Year	325,931	325,931	325,931	-
Fund Balance - End of Year	\$ 130,173	\$ 130,173	\$ 270,460	\$ 140,287

TOWNSHIP OF MANCERLONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD FUND
YEAR ENDED MARCH 31, 2008

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Property Taxes	96,000	96,000	103,235	7,235
State Revenue - Annual Maint Fee	-	-	6,866	6,866
Total Revenues	96,000	96,000	110,101	14,101
EXPENDITURES				
Road Construction/Repair	97,245	142,871	122,505	20,366
Total Expenditures	97,245	142,871	122,505	20,366
Excess (Deficiency) of Revenues Over Expenditures	(1,245)	(46,871)	(12,404)	34,467
Fund Balance - Beginning of Year	117,005	117,005	117,005	-
Fund Balance - End of Year	\$ 115,760	\$ 70,134	\$ 104,601	\$ 34,467

TOWNSHIP OF MANCERONA
COMBINED BALANCE SHEET
NON MAJOR FUNDS
MARCH 31, 2008

	CEMETERY	LIBRARY	LIQUOR	TOTAL
ASSETS				
Cash	\$ 49,085	\$ -	\$ -	\$ 49,085
Certificate of Deposit	22,510	-	-	22,510
Total Assets	71,595	-	-	71,595
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	-	-	-	-
Fund Equity				
Fund balance:				
Undesignated, Unreserved	19,338	-	-	19,338
Restricted	52,257	-	-	52,257
Total Fund balance	71,595	-	-	71,595
Total Liabilities and Fund Equity	\$ 71,595	\$ -	\$ -	\$ 71,595

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON MAJOR FUNDS
FOR THE YEAR ENDED MARCH 31, 2008

	<u>CEMETERY</u>	<u>LIBRARY</u>	<u>LIQUOR</u>	<u>TOTAL</u>
REVENUES:				
Grave Openings	\$ 9,800	\$ -	\$ -	\$ 9,800
Royalties	3,183	-	-	3,183
Lot Sales - Perpetual Care	4,900	-	-	4,900
Lot Sales	4,260	-	-	4,260
Yearly Maintenance Fee	500	-	-	500
Interest - Perpetual	1,563	-	-	1,563
State Aid	-	2,944	-	2,944
Penal Fines	-	22,465	-	22,465
Custer/Donations	-	4,200	-	4,200
Liquor License	-	-	1,588	1,588
Misc	-	12,398	-	12,398
Total Revenues	<u>24,206</u>	<u>42,007</u>	<u>1,588</u>	<u>67,801</u>
EXPENDITURES:				
Wages	24,779	27,092	3,260	55,131
Fica	1,888	2,073	249	4,210
Book Purchases	-	9,382	-	9,382
Capital Outlay	-	-	-	-
Cemetery Costs	2,988	-	-	2,988
Library Costs	-	32,861	-	32,861
Liquor Law Costs	-	-	145	145
Total Expenditures	<u>29,655</u>	<u>71,408</u>	<u>3,654</u>	<u>104,717</u>
Excess (Deficiency) of Revenues over Expenditures	(5,449)	(29,401)	(2,066)	(36,916)
TRANSFERS IN (OUT)	<u>11,480</u>	<u>29,401</u>	<u>2,066</u>	<u>42,947</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	6,031	-	-	6,031
Fund Balance - Beginning of Year	<u>65,564</u>	<u>-</u>	<u>-</u>	<u>65,564</u>
Fund Balance - End of Year	<u>\$ 71,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,595</u>